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TURNOR, C. H. *The land and the empire.* (London: John Murray. 1917. Pp. 144.)

*The coal catalog combined with coal field directory for the year 1918.* (Pittsburgh: Keystone Pub. Co. 1918. Pp. 650.)

*International year book of agricultural statistics, 1907-1916.* (Rome: International Institute of Agriculture. 1918. Pp. 1,000. \$2.)

*The production of copper, gold, lead, nickel, silver, zinc, and other metals in Canada during the calendar year 1916.* (Ottawa: Dept. of Mines, Mines Branch. 1917. Pp. 76.)

*Report of the resources and production of iron ores and other principal metalliferous ores used in the iron and steel industry of the United Kingdom.* (London: Dept. of Scientific and Industrial Research. 1917. Pp. 145. 2s.)

*Summary report of the Department of Mines for calendar year ending December 31, 1916.* (Ottawa: Dept. Mines. 1917. Pp. viii, 183.)

### Transportation and Communication

*Railway Rates and the Canadian Railway Commission.* By DUNCAN A. MACGIBBON. Hart, Schaffner and Marx Prize Essays, XXIV. (Boston: Houghton Mifflin Company. 1917. Pp. 257. \$1.75.)

Part I of this work contains a historical survey of Canadian waterways and railroads, and part II is devoted to the specific problem of railway regulation and the functions and achievements of the Board of Railway Commissioners. It is clear, therefore, that Mr. MacGibbon has done a good deal more than merely to pose the problem of railway rates in theory and practice in Canada. It is patent also that it was essential to survey the field of water and rail transportation in the Dominion in order that a background might be obtained for the adequate discussion of the problems of rate regulation.

Aside from official records and general works on the history of traffic and transportation in the Dominion, there are available—with the exception of miscellaneous contemporary articles and pamphlets—few works of value on Canadian transportation. The general works include Trout's *Railways of Canada*, McLean's *National Highways Overland*, and Skelton's *Railway Builders*. Obviously, therefore, in view of Canada's railroad history, both with respect to its uniqueness and its close relation to the political development of the nation, Professor MacGibbon's work is doubly welcome.

It may be said at once that this book is scholarly and thorough-going in its treatment of the subject, and fair and judicial in its conclusions. Its publication at this juncture, however, is particularly opportune in view of the present railway situation in the Dominion, a situation in which both the government and the public are subjecting the nation's railway policy to the closest analysis and investigation.

A preliminary chapter is properly devoted to a historical study of the development of Canadian waterways and the economic value of the canal system. To any one who has given attention to this subject it is clear that, however valuable canals were in pre-confederation days, they are not now a significant factor in controlling railroad rates. It must not be forgotten, however, that the magnificent chain of lakes and rivers, with their connecting canal links, afford an outlet during the season of navigation for the grain and other agricultural products of the prairie provinces; and that, therefore, water competition, aside from canals that are now in use largely for tourist and local traffic, still remains an important factor in controlling railroad rates in the Dominion.

Mr. MacGibbon admirably summarizes railway history and policy in the early days of the Dominion, ending with the year 1867. It is evident that the traffic policy of that period was colored in great measure by the fact that Canada had always to meet the competition of American rail and water carriers, and that both countries were competing for immigrants from Europe. In addition to this, there was the military consideration which had an important bearing upon the general situation. The Rideau Canal was constructed, between Kingston and Ottawa, rather as a military undertaking than as a work of economic value; and among the multiplicity of arguments advanced for the building of the Inter-colonial, the securing of a railway system removed from the menace of easy military control by the United States was perhaps given the most weighty consideration. However that may be, the confederation year, 1867, found the Dominion equipped with an extensive canal system, a considerable mileage of railroads in Ontario and Quebec, and committed to a policy of government ownership for the projected railroad that was to link up the maritime provinces with upper and lower Canada.

It was not, however, until the era of transcontinental railway construction set in, with the building of the Canadian Pacific, that the railway situation in Canada evoked world-wide interest. Lavish

land grants and huge cash subsidies permitted the Dominion to indulge in what many now consider an extravagant program of railroad construction, the Canadian Pacific being followed by the building of the Canadian Northern and the Grand Trunk Pacific. The outcome of this policy has been the covering of eastern and western Canada with networks of railways connected by lines built across the barren area directly north of Lake Superior. It is obvious that for many years to come the Dominion will be faced with railroad problems quite unique in character—the lack of local traffic over a long mileage in northern Ontario and Quebec, and the maintenance of a railway “bridge” constructed at great expense through this barren territory, for the purpose of linking up the economic life of the prairie provinces with that of eastern Canada.

These facts have an important bearing upon Professor MacGibbon's main problem—the regulation of railway rates in Canada. After what appears to the reviewer an entirely too brief study of the structure of freight classification in the Dominion, Mr. MacGibbon turns directly to the analysis of public control of railway rates. He approaches this question from four essentially different standpoints: the bearing of the common law upon rate making in the earlier, mainly pre-confederation, period; the control of rates by charter provisions; statutory control of rates; and the more recent development of rate regulation by the Board of Railway Commissioners. Here he makes a most valuable contribution to the theory of railroad rate regulation in Canada. Professor MacGibbon quite correctly emphasizes the fact that the fourth phase of rate regulation in the Dominion, the period of regulation under the Board of Commissioners, is the natural and inevitable outcome of the earlier attempts to regulate rates under the common law, by specific charter provisions and by direct statutory control. It goes without saying that a great stride forward was taken in the direction of scientific rate regulation when the railroads were placed beyond the direct supervision of the Railway Committee and Parliament.

As already remarked, part II is given over to a close analysis and discussion of rate regulation under the Board of Railway Commissioners. Various rate theories have been developed in recent years in answer to the charge of excessive rates; the main types of appeal on this count being against discriminatory rates, rates inimical to public policy, and rates which, in themselves, were said to be unreasonable and excessive. The principle of providing

a fair return on capital invested has been applied to the solution of the rate problem in Canada, as well as considering the cost of carriage and applying the well known practice of charging what the traffic will bear. The factors that obtain in determining rates in the United States have been made equally applicable to Canadian conditions. Length of haul, value of the commodity, water competition, competition between carriers, competition between markets and ports, the peculiar character of export and import business, the cost of service—all these in greater or less degree have influenced Canadian rate making. Moreover, it is equally evident that the desire to develop industry in certain territories, as well as to protect industry and traffic has had a considerable influence in determining the rates charged.

Professor MacGibbon, in a concluding chapter, makes a searching analysis of the legitimacy of the claim, now heard in so many quarters, that capital invested in railroads must be protected; and that rates must be regulated to that end. In the author's opinion this claim will receive, as it already has received, serious consideration by the Board of Commissioners and, in other directions, by Parliament itself. Whatever may have been the folly and extravagance of the past in excessive railroad construction, it is evident that investments cannot be placed in jeopardy without injuring the credit of the country.

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#### NEW BOOKS

CHERINGTON, P. T. *The port of Boston; its problems. A summary of the situation.* (Boston: Chamber of Commerce. 1917. Pp. 35.)

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RANDOLPH, C. F. *A brief on the law regarding the development and regulation of United States seaports.* (Washington: National Marine League. 1918. Pp. 33.)

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A popular and interesting account, in part historical but more